

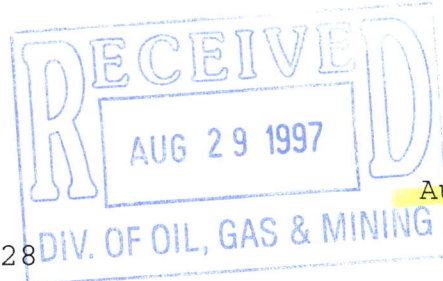
M/027/007



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
HOUSE RANGE/WARM SPRINGS RESOURCE AREA

35 East 500 North
Fillmore, UT 84631



IN REPLY REFER TO:

3800

(U-054)

UTU-063447-01

August 26, 1997

CERTIFIED MAIL # Z 138 791 128
RETURN RECEIPT REQUESTED

E B KING
PRESIDENT
JUMBO MINING COMPANY
6305 FERN SPRING COVE
AUSTIN TX 78730

Dear Mr. King:

We are in receipt of your letter of July 9, 1997, and apologize for the delay in replying, we were waiting for input from other sources before we felt we could make an adequate response.

We are making some progress in resolving the March 10, 1995, Notice of Noncompliance, wherein we required a revised reclamation plan for the Drum Mine. We have also noted some reclamation taking place on the ground outside the Drum Mine, namely that the pit on the Law claims north of the mine site has been backfilled. That pit was a serious safety concern, and we were pleased to see that it no longer exists. We also noted that several drill holes around the mine have recently been plugged.

We are also in receipt of copies of the July 7, 1997 Ground Water Discharge Permit you sent to the Division of Water Quality (DWQ), and the agency's July 18, 1997 response. Progress is also being made towards obtaining the permits for reactivating the mine. However, we must remind you that even if the permits are obtained, the mine cannot be activated without an adequate bond in place. The Utah Division of Oil Gas and Mining (UDOGM) is currently calculating a bond amount based on a "worst-case scenario". UDOGM, DWQ, and the BLM have no choice but to consider the heaps contaminated until evidence to the contrary is accepted as adequate by DWQ. DWQ has the authority to stipulate what kind of sampling must take place, and how those samples are tested. It has not accepted the sampling programs you have so far proposed. You must now consider alternative proposals, and should consult with that agency to determine what it will accept. They refer to a "synthetic precipitation leaching procedure" in their July 18 letter. Your response, due September 2, 1997, should propose a heap characterization sampling program utilizing such a technique.